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The Director of Central Intelligence
Washington, D.C. 20505

National Intelligence Council

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MEMORANDUM FOR: Director of Central Intelligence
Deputy Director of Central Intelligence
FROM: George Kolt
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SUBJECT: Warning and Forecast Report for Europe

I. SDI and INF: European Perspectives

A. Discussion

The January meeting between Secretary Shultz and Foreign Minister Gromyko is giving rise to unrealistic hopes for near-term arms control progress and a rebirth of detente. For their own reasons, European governments are also receptive to Soviet argument against the SDI. DIA analysts, however, emphasized that while European views on SDI are still not well defined, initial US presentations of SDI probably have had the ironic effect of heightening fears of decoupling. Over the longer term, some DIA analysts believe that Europeans will accept the fact that the US has legitimate interests in SDI and see the value of participating in this enterprise as a way to get in on a significant hi-tech field. Many Europeans, according to this view, could come to accept some limited form of ballistic missile defense if it were part of an arms control process, did not appear to decouple Europe from the US or undermine the separate bases of French and British nuclear deterrence. A number of analysts doubted that all these prerequisites would ever be met and therefore saw continued US-Europe frictions over SDI as likely.

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All Analysts agreed that the Belgium INF deployment is very unlikely to occur anytime in 1985. Prime Minister Martens would run the risk of bringing down the government and ending his political career by deploying prior to elections. Instead, he will probably opt for early elections. But these elections will probably result in the strengthening of the anti-INF forces and in an indefinite postponement of a deployment decision. Because of his own and his Foreign Minister's pro-INF views, however, Martens will listen carefully to US views during his January visit to Washington.

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II. Spain-NATO Membership

A. Discussion

Analysts favorably assessed the PSOE Congress endorsement (by a 70 to 30 percent margin) of Prime Minister Gonzalez's stand on continued membership in NATO. They also agreed, however, that additional hurdles are to be overcome including:

- unfavorable polls which still give anti-NATO public sentiments the edge;
- new rallying points for the opposition in parliamentary debates during early 1985 and a national referendum on NATO promised by February 1986.

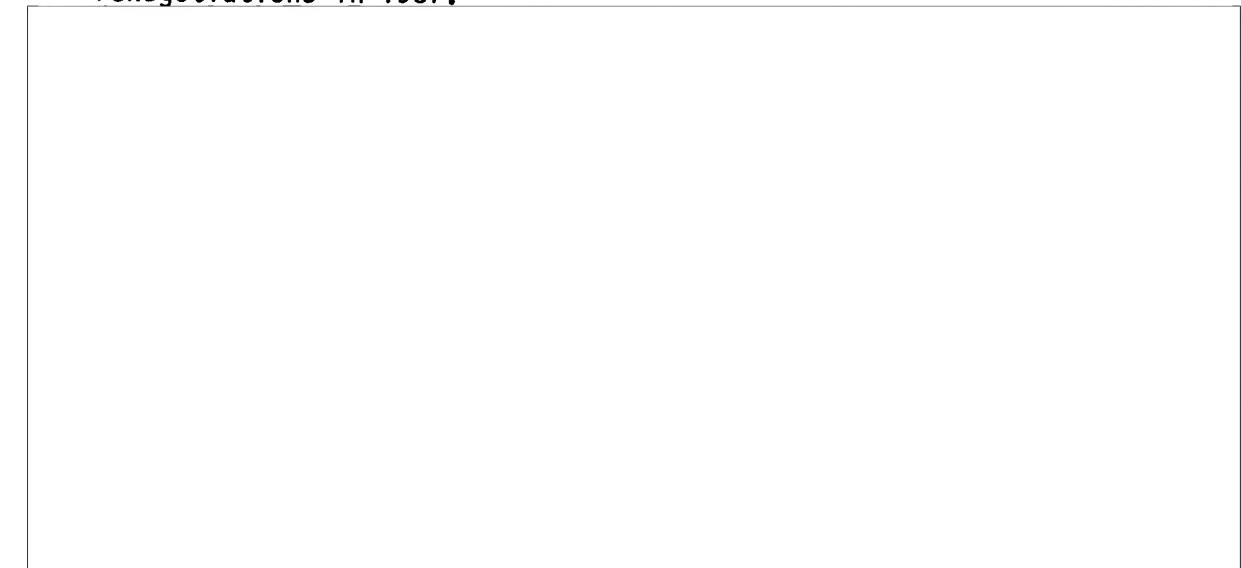
Most analysts agree that Gonzalez's ability to maintain support for NATO membership could depend on developments in several related areas. He must continue to show progress on Spain's accession to the EC. Some sizable impediments recently were bypassed but several important trade quota issues remain unsettled. In addition, Greece insists that increased funds for Integrated Mediterranean Programs be approved before a vote on Spain's accession at the EC Summit in March. Athens could thereby stall Spain's accession into 1986. Spain is also increasingly distracted by pressing security threats in North Africa that are outside the NATO context.

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Analysts raised several positive factors supporting NATO membership. A new and slight shift from "no" to "undecided" in the polls suggests that popular opinion against NATO may be changing slowly. In addition, Gonzalez has the option to call early elections--perhaps this fall--to maximize credit for movement on EC accession and to divert attention from the NATO issue if he thinks the polls are turning against him.

Community analysts also agree that Gonzalez's deliberate ambiguity on reducing the US presence suggest he intends to use the issue as a tactical lever against NATO critics, rather than to substantially diminish bilateral military arrangements. This stance also gives Spain maneuvering room regarding base renegotiations in 1987.

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Monitoring Items

-- Greece. The recent resignations by senior Greek officers and the appointment of former Air Force Chief of Staff General Kouris as new Chief of Staff, are probably connected to Papandreu's declarations that Greek defense strategy would be shifted away from the Soviet Union toward the "Turkish threat". Kouris has been a hard-liner on bilateral relations with the US,

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-- Poland: Jaruzelski continues to walk a tightrope, trying to placate hardliners while capping the scandal over the murder of a pro-Solidarity priest. The trial of the accused secret

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police suspects begins on 27 December and the charges could bring a death penalty. The plenum on 21-22 December may have heard a Politburo report on the investigations.

-- Yugoslavia-USSR: For the first time in recent years the Soviets publicly attempted to sway deliberations at a highly sensitive plenum in Belgrade the following week. A 17 November Pravda report from its correspondent in Belgrade selectively quoted Yugoslav journals to publicize its misgivings about decentralization, ideological drift in society, and the use of "democratic consensus" in decision-making. It also griped about Western lenders' growing influence in Yugoslavia's debt-ridden economy. Much of the Soviet posture supported the views of Serbian leaders who are determined, against major opposition, to seek recentralization but did not have any visible impact on the plenum.


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